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THE Marketing and Transportation SITUATION

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The material formerly published under the title
"Farm-Retail Price Spreads" is included in this report

SUMMARY

Charges for marketing food products from American farms declined nearly 2 percent from mid-March to mid-April. Farmers in mid-April received approximately 52 percent of the retail price paid by consumers for 58 important foods. Cost to consumers of the food basket rose about one-half of one percent from March, while payments to farmers for equivalent farm products rose $2\frac{1}{2}$ percent. Preliminary information indicates that wholesale prices of foods and of unprocessed farm products declined slightly from mid-April to mid-May. During this same period, retail food prices rose sharply, the advance amounting to about $2\frac{1}{2}$ percent.

Because of the institution of price control on May 18, retail prices of most foods will be stabilized at their highest March levels. The average March food bill, including both domestic and imported foods, was at the rate of \$483 a year. This compares with \$408, the average for the five years prior to the outbreak of World War II, which was 27 percent of the average nonfarm family income of \$1505. The March bill is about 22 percent of the average nonfarm family income computed in April at the rate of \$2165 a year.

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Price control overshadows all other recent developments in the marketing of farm products. The General Maximum Price Regulation includes food products which account for slightly more than two-thirds of consumer food expenditures. Adjustment to the conditions of controlled prices will be of primary importance during the next few months.

Problems developing daily in the marketing and transportation of farm products point to the imperative need for conservation and increased efficiency in the use of existing facilities. Except for ocean shipping, current demands for transportation are being met, but the big season of crop harvesting, processing, and distributing is still ahead. The reduction of coastal shipping and the shortage of parts, tires, and gasoline for trucks as well as complete stoppage of new truck production throws a heavy burden on the railroads. On all transportation fronts, plans are underway to eliminate waste effort, to take better care of equipment, and to make fuller use of facilities through elimination of less-than-capacity loads and cross-hauling, consolidation of routes, the standardization of new designs, and the granting of shipping and storage permits.

— May 26, 1942

FARM-RETAIL PRICE SPREADS

Farmer's Share Up to 52 Percent

The farmer's share of the retail value of 58 important foods rose from 51 percent in March to 52 percent in April, equaling the share of December 1941, the highest since the 1920's. In April 1941, the farmer's share was 46 percent and the pre-war 1935-39 average was 42 percent.

The 58 foods produced on American farms, representing annual family purchases, cost consumers \$386 at retail in April, an increase of 18 percent over April 1941, and 16 percent above the pre-war 1935-39 average. (Table 1). Comparable food costs were \$415 for the same foods in 1929 and \$514 in 1920. Payments to farmers for equivalent food products at \$201 in mid-April were up 32 percent from a year earlier and were 3 percent higher than the 1929 level. The spread or marketing charge between retail cost and payment to farmers for April was \$185, well below the 1935-39 average of \$191, and 16 percent lower than the marketing spread of \$220 in 1929.

Family income continues to rise as rapidly as food costs (Table 2), but with the maximum price regulation restraining and reducing most food prices, the proportion of income taken by food should decrease in May and June. These income estimates are not adjusted to allow for heavier taxes. Income available for expenditure does not rise as rapidly as total family income.

Several Retail Increases

At retail, the only outstanding price increases from mid-March to mid-April were 10 percent for apples and 12 percent for peanut butter. (Table 4). Presumably, part of the price increase in peanut butter will be canceled by provisions of the price regulation, but fresh fruits are

excepted from the regulation. Prices for rice and potatoes increased 3 percent from March to April, and pork rose 2 percent. Rolled oats at retail dropped 7 percent during the month.

Farm prices of potatoes in April were 12 percent above March, and hogs were up 8 percent, while wheat used for flour, bread, crackers, and cereal was down 5 percent (Table 5).

The marketing margin on pork products decreased sharply from March to April (Table 6). Margins for lamb and rolled oats were down about 10 percent from March. Margins on apples and peanut butter advanced by 11 and 18 percent, respectively.

Important Farm Products Exempted From Price Control

The General Maximum Price Regulation was announced by the Office of Price Administration April 28 to become generally effective on May 11, except for retail sales where the order became effective on May 18, and for sale of services at retail where the order will be applicable beginning July 1, 1942.

Maximum prices are defined in substance as the highest actual price at which goods were delivered during March for each seller and for each commodity by brand, style, price line, and other distinguishing characteristics associated with established price differentials. Each retailer is required to post conspicuously on and after May 18 a list of his maximum prices for specified necessities or cost of living commodities which he sells.

The Office of Price Administration has stated that it will not permit any general advance in retail prices of any commodity above the March level, although there may be some cases of individual relief. Maximum prices at lower levels of marketing will be adjusted, the CPA said, where necessary to promote equitable distribution of the retail price among the several marketing agencies and the producer.

Farm products were placed in a distinct category under Section 3 of the Emergency Price Control Act of 1942. That section provides that no maximum price may be established for any farm product in original or processed form which will reflect prices to farmers below the highest of certain stated exemption levels. The levels specified include:

- (a) 110 percent of parity;
- (b) the 120-month average farm price, July 1919 to June 1929;
- (c) the market price as of Oct. 1, 1941; and
- (d) the market price as of Dec. 15, 1941.

The General Maximum Price Regulation excepts important groups of farm products from its provisions. First, all raw and unprocessed agricultural commodities are excepted (other than bananas). This excludes nearly all farm products at the farm sale level. Other farm products excepted include: eggs and poultry; dairy products other than fluid milk and cream sold at retail and ice cream; flour (not prepared); mutton and lamb; dried prunes; dry edible beans; nuts other than peanuts; leaf tobacco; linseed oil, cake, and meal; mixed feeds; and living animals.

Exceptions to the General Maximum Price Regulation make up a large proportion of food products in terms of typical consumer outlay at retail. The following table compares annual expenditure for the excluded and other foods per person in 42 cities, 1934-36. On the basis of consumption patterns and price relations during that period, the excluded food items account for more than a third of total food outlay. With food taking roughly a fourth of typical family expenditures, the excluded items affect nearly 10 percent of family living costs.

Table 10.-Importance of Foods Excluded from the General Maximum Price Regulation

Food Group	Average expenditures per person in one year as percentages of expenditure for all foods		
	All Items	Excluded Items	All Except Excluded Items
	Percent	Percent	Percent
All Foods	100.0	36.8	63.2
Total domestic farm products	90.7	36.8	53.9
Grain products	15.9	1.9	14.0
Dairy products	18.8	8.0	10.8
Fats	1.8	---	1.8
Meat	22.2	1.7	20.5
Poultry	3.1	3.1	---
Eggs	5.7	5.7	---
Veg. & fruits, fresh	15.5	15.5	---
" " " ; canned	3.6	---	3.6
" " " ; dried	1.4	0.9	0.5
Miscellaneous	2.8	---	2.8

Expenditure data from Bulletin 638, U. S. Bureau of Labor Statistics
"Money Disbursement of Wage Earners and Clerical Workers, 1934-36".

On May 19 the Office of Price Administration and the Department of Agriculture jointly announced the outline of a price regulation and support program for canned vegetables. The program holds retail prices to March levels, but insures payments to farmers and canners adequate to cover higher production goals for 1942. Specifically, maximum prices for each of 11 canned vegetables and tomato juice are determined by adding 8 percent for higher operating costs to the canner's average selling price during the first 60 days of his 1941 season plus the actual increase from the 1941 to the 1942 season in cost of raw produce. Canned fruit will be covered in regulations to be released later.

TRANSPORTATION

Ocean Shipping Strained

Although detailed figures on the current shipping situation are confidential, on most routes little or no shipping space is available for nonessential imports and exports. Imports of commodities produced in regions located in or near war zones, however, are in a more favorable position than those produced in other areas since vessels carrying war supplies need not return empty.

During the first two years of the war, both imports and exports as a whole increased steadily, although irregularly, despite a reduction in the size of the merchant fleet which served the United States. The explanation for this seemingly contradictory situation is to be found in the more efficient manner in which shipping has been conducted under war conditions. The pre-World War II merchant fleet was overtonnaged and a large amount of vessel space was not utilized. Consequently, the reduction in the size of the fleet entering and clearing United States ports did not result in a proportionate decline in the amount of cargo which it carried. By operating at virtually full capacity, a smaller fleet was able to transport a greater quantity of freight than before the war.

With the United States now at war, the effective transport capacity of the fleet available to the United States has been reduced substantially. Of immediate significance is the loss of carrying power caused by the extension of the convoy system, the necessity of traveling over longer routes, and the need for commercial shipping by the United Nations' armed forces for auxiliary military purposes. Shipping is now endangered on many more routes and losses have been heavier. Although the British Empire has increased its ship construction program substantially, the United States is the only one of all the United Nations with facilities and capacity to build enough ships to overcome the present difficulties.

Efficiency Needed in Rail Transport

An explanatory statement accompanying O.D.T. General Order No. 1 on less-than-carload freight handling and hauling arrangements indicated that "unless existing car supply and motive power are utilized to maximum efficiency during 1942 and succeeding years, the movement of essential military traffic will be impeded." Uncertainty concerning the magnitude of the prospective load at different times and in different forms and places adds to the problem.

When unusual burdens are laid on railroads, involving facilities and services for which agricultural traffic competes more strongly than usually with other traffic (see Table 11 below), it becomes necessary for agriculture to abandon any narrow view from which its traffic might be considered as if the rest did not exist. In these times, decisions must be made about what to carry, and when; or, perhaps, what not to carry at all.

Table 11.-Proportions of Agricultural and Other Traffic in Carloads Originated by Class I Railroads, 1940-41

	: 1940	: Percent of	: 1941	: Percent of
	: Carloads	: Grand Total	: Carloads	: Grand Total
Products of Agriculture	: 3,219,591	12.19	3,521,610	11.11
Animals and Products	: 1,202,551	4.55	1,250,405	3.94
Products of Forests	: 1,842,495	6.98	2,254,110	7.11
Manufactures and Misc.	: 9,555,241	36.18	12,049,890	38.01
	:			
Total	: 15,819,878	59.90	19,076,015	60.17
	:			
Products of Mines	: 10,590,876	40.10	12,629,803	39.83
	:			
Grand Total	: 26,410,754	100.00	31,705,818	100.00

Source: Interstate Commerce Commission

Thus, already, apart from any question as to railroad efficiency or capacity, it has become necessary to limit shipments of the new wheat crop to quantities which can be stored at destination. A wide view of the whole railroad situation is useful now because railroad efficiency or capacity might become the factor limiting agricultural shipments. Thus, it appears that railroads must haul their usual share of perishable food products plus a part or all of what boats and motor trucks have hauled. A study of the refrigerator car supply situation is now being made by the Bureau. This traffic moves in a special type of car, for which other traffic competes but little, but all of the cars must be pulled by the same locomotives, for which all of the traffic will compete. Other agricultural products move in box cars like the general run of traffic, and can be shipped freely only if the box car supply proves adequate in this emergency.

Among the circumstances contributing to make a heavier load for the railroads to carry, there are the shift of coastwise water traffic; heavy and continually increasing movements of troops and equipment; a new and abnormal trend of traffic over long routes to the Pacific Coast; the increased amount of coal needed in New England, other Eastern States and Canada, partly due to the oil shortage; the shift of part if not all of 7½ million tons of anthracite and 35 to 40 million tons of bituminous coal from motortrucks to railroads; an increase in the quantity of ore to be moved during the Great Lakes navigation season; and increased quantities of exports. Illustrative of the export figures are the port unloads for February 1941 and 1942, as follows:

	Cars Unloaded for Export in February	
	Grain	Other than Grain
1941	2,134	42,140
1942	2,215	57,864
Increase...	81	15,724

The possible curtailment of highway transportation due to shortages of trucks and tires is another important factor in the situation ahead. Director Eastman of the O.D.T. has warned of the "crushing load" that would fall on the railroads if the motor transport system of the country should break down.

The new railroad cars installed during January 1942 were 8,143 in number. Thirty-six thousand additional cars were authorized for construction in February, March, and April, of which about 17,000 were delivered by April 1, leaving 19,000 to be completed in April. By its orders L-97 and L-97-a, announced April 8, the War Production Board took control of locomotive and car construction. An additional 18,000 cars were authorized to be built during the nine months from April to December, inclusive, making a total of 62,143 freight cars for the year, if materials permit, as compared with 121,827, estimated by the railroads in January as necessary to handle 10 percent more traffic than in 1941.

Standardization and the pooling of car designs are expected to expedite production of freight cars by manufacturers whose facilities are much in demand for military supplies and equipment. The railroads received 115 locomotives in January and February, out of a total authorization in 1942 of 1,100.

In the face of what is obviously a tight situation, efforts are being made to increase the efficiency with which available facilities are used. In 1941, each train hauled more freight than ever, one and one-half times faster than twenty years before, establishing a record for average load per car and for fuel efficiency. Average daily locomotive miles and serviceable freight car miles reached a new high mark, while cars needing repair dropped to a record low figure. Hourly train performance, 14,938 net ton miles, was about twice as great as in 1921. Ton miles for the year were the greatest on record: 6.2 percent over 1929 and 27.37 percent over 1940.

On January 1, 1941, the cars needing repair numbered 108,972, or 6.8 percent of the total. By January 1, 1942, the number dropped to 62,200, or 3.7 percent, and on February 1 reached a new low record of 60,869, or 3.6 percent of the total number of cars.

Conservation in Motor Transport Facilities

The stoppage of production of all trucks for civilian use together with the cutting off of 95 percent of our normal rubber supply means that existing motor transportation facilities must be conserved and made to serve with the greatest possible efficiency. This has been stressed by representatives of ODT, OPA, and the USDA at regional meetings throughout the country.

The production of spare truck parts was suspended some time ago and the plants for making them have been turned to other uses. At the present time, more trucks have been put out of service from lack of repair parts than from lack of tires. Steps are now being taken to resume the production of parts, but it will be several months before supplies begin to flow again from the plants.

The trucks at present on the road are still good for millions of miles of hauling. The problem is to provide for the maintenance of these trucking services on as adequate a basis as possible throughout the period of the next two or three years. The all-out conservation program now being launched by the ODT and the efforts being made by truck operators themselves give hope that essential services can be maintained. By better care than has normally been given them, the useful lives of trucks and tires can be prolonged. By better utilization through the carrying of capacity or near capacity loads on both out-going and return trips, trucks can be made to move more products per mile of road traveled. By the elimination of cross-hauling, by diversion to railroads where that is possible, and by readjustments in marketing practices, many miles of non-essential hauling can be eliminated.

ODT orders, effective June 1, require trucks to carry full loads on their basic hauls, and 75 percent loads on the back-haul. Trucks owned by farmers themselves are exempt for the present, but they are expected to adopt the same standards of operation voluntarily. Other haulers of agricultural products, although exempt from the peace time regulations under the Motor Carriers Act, are covered by the new ODT orders. The application of these orders to agricultural transportation presents two types of problems which are likely to lead to some confusion and possibly some dislocation of services until they are satisfactorily worked out. First, there are legal obstacles in the way of those truckers, licensed to carry farm products, who now want to take other commodities on their return hauls. Steps are being taken to clear up these difficulties, but in the meantime doubts in the minds of truckers about the legality of their operations may curtail services available to farmers. Second, there will be difficulties, particularly in the first few weeks, in finding return loads to haul. It is expected that clearing offices and dispatching depots will be established to systematize the movements of tonnage in reverse directions. Flexibility in the application of the orders will be provided through temporary administrative adjustments during the introductory period.

INTERNAL TRADE BARRIERS

In recent months, as the Nation has geared its economy to war, many state and local laws which in peacetime were designed to meet local conditions, have through their rigidity imposed a heavy toll on national efforts to utilize our resources of land, manpower, and materials most effectively. A systematic effort to liberate the economy from these restrictive regulations was initiated at a conference on internal trade barriers called by the President early in May. In his message to the delegates, the President declared that: "Legal obstacles arising from a desire for regional and local advantage in a country so vast, with industry and interests so diverse, tend to defeat the requirements of free commerce and free enterprise among the States. Vexatious and disruptive in peace, in war they become dangerous."

The State governments have in many ways shown their awareness of the situation. Some laws have been modified; others have been made more flexible. But much remains to be done before all legal restrictions to the war effort have been eliminated. The problems include, among others, legal obstacles to motor truck transportation, restrictions on interstate

trade in diary products, obstacles to trade in fruits and vegetables, egg laws and regulations, seed regulations, and state labor laws.

A compilation of the laws that interfere with interstate trade in agricultural products has been made for each state. These laws were discussed with state representatives as a basis for determining how they are administered, their effects on interstate movement of commodities, and the steps that can be taken to overcome their ill-effects. In most instances, the state representatives expressed a willingness to recommend that local laws which hamper war efforts be repealed. The governors in some states have been given emergency powers sufficient to enable them to revise or suspend the operation of such laws for the duration; in other states, a repeal of state laws would have to wait until the state legislature convened, unless a special meeting were called.

COLD STORAGE SPACE

Estimates supplied by commodity specialists in the Department of Agriculture indicate a large increase over last year in the quantity of products going into cold storage during the remaining months of 1942. These figures, however, are not as great as was thought probable earlier. Of products requiring cold storage space, eggs, butter, cheese, and frozen fruits and vegetables are expected to show the greatest increases. (See Cold Storage Requirements for Remainder of 1942, B.A.E., April, 1942)

Frozen eggs will reach an estimated first-of-month peak in August of 300,000,000 pounds as compared with actual reported holdings at the same time in 1941 of 195,000,000 pounds. Dried eggs for the first time are expected to become a factor in cooler space storage, although to what extent is not clear at this time.

Shell eggs, which on May 1 showed actual storage holdings approximately 53 percent above May 1, 1941, will probably not be stored in the volume that had been at first expected. Production prospects for eggs for the remaining months of 1942 are excellent, averaging for the year approximately 15 percent above 1941. Egg driers may be depending to a considerable degree for their egg supply on the increased egg production in prospect during the remaining months of 1942 rather than on using storage eggs. This possibility is supported by the fact that some egg driers are not covering their government commitments either by futures or by storing eggs. Another factor bearing on the situation is that the domestic consumption of eggs is greater than expected.

The revised estimates of first-of-month shell egg storage holdings are as follows (in cases):

June	8,000,000
July	9,200,000
August	9,600,000
September	8,600,000
October	6,800,000
November	3,600,000
December	1,600,000

A combination of factors has resulted in less butter going into storage than anticipated. A marked diversion of milk to the production of cheese and evaporated milk has taken place, and the price of butter has been relatively unfavorable as an inducement to increased production except where facilities are available for manufacturing dry skim milk. Storage holdings of cheese on May 1 were approximately twice what they were on the same date in 1941. Heavy production of cheese is expected to continue for the remainder of 1942, with estimated peak storage holdings of 350,000,000 pounds predicted for October 1942. Lend-lease requirements for evaporated milk early in 1942 were estimated at somewhat over 20 million cases, but unforeseen conditions reduced the quantity required. Nevertheless, the government has continued to purchase canned evaporated milk and the anticipated increase in butter production has not occurred. As a result of these two factors, butter production in 1942 has fallen below that in 1941 approximately as follows: January, 12%; February, 10%; March, 8%; April, 8%. Even so, the quantity of butter reported in cold storage on May 1, 1942, was 37,183,000 pounds, or approximately 109 percent above 1941 holdings at that time. The revised estimates of first-of-month storage holdings of butter for the remaining months of 1942 are as follows: (In pounds)

June	80,000,000
July	145,000,000
August	210,000,000
September	240,000,000
October	250,000,000
November	225,000,000
December	190,000,000

The heavy contra-seasonal movement of lard out of cold storage will tend to relieve the storage situation with respect to cooler space. Cold storage holdings of lard on May 1, 1942, were reported to be 120,392,000 pounds, compared with 321,074,000 pounds in storage at that time in 1941. Estimates for the remaining months of 1942 indicate first-of-month storage holdings of less than 100,000,000 pounds of lard.

Frozen fruits and vegetables are expected to be stored in larger volume in 1942. Although this probably reflects the intentions of processors, the labor, crop and price conditions must be favorable if the predicted 25 percent increase is reached.

A study now being made by the Bureau of the adequacy of cold storage facilities will be available next month.

Table 1.- Annual family purchases of 58 foods 1/

Year and month	Cost at	Paid to	Marketing	Farmer's share
	retail	farmers	margin	of retail value
	Dollars	Dollars	Dollars	Percent
1913	252	134	118	53
1914	253	137	121	53
1915	258	134	124	52
1916	285	155	130	54
1920	514	272	242	53
1921	404	179	225	44
1929	415	195	220	47
1932	270	88	182	33
1937	353	160	193	45
1938	321	130	191	40
1939	311	126	185	41
1940	314	132	182	42
1941	342	164	178	43
1935-39 average . .	332	141	191	42
1940 -				
Jan.	310	132	178	42
July	316	128	188	41
1941 -				
Apr.	327	2/ 152	2/ 175	46
May	331	153	178	46
June	345	161	184	47
July	348	170	178	49
Aug.	348	172	176	49
Sept.	357	181	176	51
Oct.	361	180	181	50
Nov.	365	182	183	50
Dec.	366	189	177	52
1942 -				
Jan.	378	194	184	51
Feb.	381	2/ 195	2/ 186	51
Mar.	384	2/ 196	2/ 188	51
Apr.	386	201	185	52

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family.

2/ Revised. Retail price averages for 51 cities from U. S. Bureau of Labor Statistics. Farm prices estimated by Agricultural Marketing Service.

Table 2.- Nonfarm family income and cost of family food purchases for selected periods. 1/

Year and month	Family income	Retail		Food cost as percentage of income	
		cost of all foods	cost of 58 foods	All foods	58 foods
	Dollars	Dollars	Dollars	Percent	Percent
1920	1,847	688	514	37	28
1929	1,968	540	415	27	21
1933	1,116	343	264	31	24
1940	1,645	394	314	24	19
1941	1,838	430	342	23	18
1942 -					
Jan.	2,095	474	378	23	18
Feb.	2,122	476	381	22	18
Mar.	2,143	483	384	23	18
Apr.	2,165	487	386	22	18

1/ For sources of material used in this table see "Farm-Retail Price Spreads December 1941", p. 5. (Note at foot of table).

Table 3 . - Price spreads between the farmer and the consumer - food products
April 1942

Retail commodity	Retail		Farm equivalent			Farm value as Actual: percent- margin: age of retail price	
	Table	No.	Unit	Price	Quantity	Value	margin
	1/						
				Cents		Cents	Percent
Pork products	11	1 lb. prin. pork products	29.0	1.90 lb. live hog	25.6	3.4	88
Dairy products	12	100 lb. milk	395.3	100 lb. milk equivalent	290.6	204.7	48
Hens	13	1 lb.	35.7	1.11 lb.	20.4	15.3	57
Eggs	14	1 doz.	39.4	1 doz.	25.6	13.8	65
White flour	15	1 lb.	5.2	1.41 lb. wheat	2.3	2.9	44
White bread	16	1 lb.	8.6	.97 lb. wheat	1.6	7.0	19
Corn meal	17	1 lb.	4.7	1.5 lb. corn	2.1	2.6	45
Rolled oats	18	1 lb.	8.6	1.78 lb. oats	2.9	5.7	34
Corn flakes	19	8-oz. pkg.	7.2	1.275 lb. corn	1.8	5.4	25
Wheat cereal	20	28-oz. pkg.	24.1	2.065 lb. wheat	3.4	20.7	14
Rice	21	1 lb.	12.2	1.51 lb. rough rice	6.0	6.2	49
Navy beans	22	1 lb.	9.0	1 lb. dry beans	4.4	4.6	49
Oranges	24	1 doz.	28.4	1/17 box	7.8	20.6	27
Potatoes	25	1 lb.	3.3	1 lb.	1.9	1.4	58
Apples	35	1 lb.	6.8	1 lb.	2.9	3.9	43
Lamb products	37	1 lb. princ. lamb cuts	28.5	2.16 lb. live lamb	23.4	5.1	82
Sweet potatoes	38	1 lb.	5.1	1 lb.	1.9	3.2	37
Rye bread	39	1 lb.	9.2	.30 lb. rye & .64 lb. wheat	1.5	7.7	16
Whole wh. bread	40	1 lb.	9.9	.92 lb. wheat	1.5	8.4	15
Macaroni	41	1 lb.	14.3	1.72 lb. durum wheat	2.7	11.6	19
Soda crackers	42	1 lb.	16.5	1.085 lb. wheat	1.8	14.7	11
Peanut butter	44	1 lb.	26.1	1.73 lb. peanuts	10.8	15.3	41
58 foods combined	8	Annual family consumption	\$386	Annual family consumption	\$201	\$185	52

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer".

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.

Table 4 -- Price spreads between the farmer and the consumer - food products, retail prices

Commodity	Retail unit	Retail price						Percentage change to Apr. 1942 from	
		1935-39 average	Apr. 1941	Feb. 1942	Mar. 1942	Apr. 1942	Apr. 1941	Mar. 1942	
		Cents	Cents	Cents	Cents	Cents	Percent	Percent	
Pork products	1 lb. prin.	25.3	21.8	27.3	28.5	29.0	+ 33	+ 2	
	pork products								
Dairy products	100 lb. milk equivalent	324.0	343.6	392.9	393.5	395.3	+ 15	+ 1/	
Hens	1 lb.	31.7	33.2	35.2	35.7	35.7	+ 8	0	
Eggs	1 doz.	36.0	32.5	42.2	39.7	39.4	+ 21	- 1	
White flour	1 lb.	4.5	4.3	5.2	5.2	5.2	+ 21	0	
White bread	1 lb.	8.2	7.7	8.6	8.6	8.6	+ 12	0	
Corn meal	1 lb.	5.0	4.3	4.6	4.7	4.7	+ 9	0	
Rolled oats	1 lb.	7.4	7.1	8.3	9.2	8.6	+ 21	- 7	
Corn flakes	8-oz.pkg.	7.8	7.1	7.2	7.2	7.2	+ 1	0	
Wheat cereal	28-oz.pkg.	24.3	23.4	24.0	24.1	24.1	+ 3	0	
Rice	1 lb.	8.2	8.3	11.3	11.9	12.2	+ 47	+ 3	
Navy beans	1 lb.	6.9	6.6	9.0	9.0	9.0	+ 36	0	
Oranges	1 doz.	31.5	27.7	26.2	28.9	28.4	+ 3	- 2	
Potatoes	1 lb.	2.5	2.1	3.3	3.2	3.3	+ 57	+ 3	
Apples	1 lb.	5.5	5.6	6.1	6.2	6.8	+ 21	+ 10	
Lamb products	1 lb. prin. lamb cuts	27.2	26.4	28.8	28.7	28.5	+ 8	- 1	
Sweet potatoes	1 lb.	4.4	5.4	5.0	5.0	5.1	- 6	+ 2	
Rye bread	1 lb.	9.1	8.5	9.1	9.1	9.2	+ 8	+ 1	
Whole wh. bread	1 lb.	9.3	9.2	9.9	9.9	9.9	+ 8	0	
Macaroni	1 lb.	15.0	13.8	14.1	14.2	14.3	+ 4	+ 1	
Soda crackers	1 lb.	16.9	14.6	16.2	16.4	16.5	+ 13	+ 1	
Peanut butter	1 lb.	19.3	17.8	21.7	23.4	26.1	+ 47	+ 12	
53 foods combined	Annual family consumption	\$332	\$327	\$381	\$384	\$386	+ 18	+ 1	

1/ Less than 0.5 percent.

Retail prices at 51-city averages as published by the United States Bureau of Labor Statistics.

Table 5 .- Price spreads between the farmer and the consumer - food products, farm value

Commodity	Farm equivalent	Farm value						Percentage change to Apr. 1942 from - Apr. 1941 : Mar. 1942	
		1935-39 average	Apr. 1941	Feb. 1942	Mar. 1942	Apr. 1942	Percent	Percent	Percent
		Cents	Cents	Cents	Cents	Cents	Percent	Percent	Percent
Pork products	1.90 lb.	15.7	1/15.5	1/22.5	1/23.8	25.6	+ 65	+ 8	
	: live hog								
Dairy products	100 lb. milk	146.0	1/159.3	1/198.8	1/192.9	2/190.6	+ 20	- 1	
	: equivalent								
Hens	1.11 lb.	16.5	17.4	19.3	20.0	20.4	+ 17	+ 2	
Eggs	1 doz.	21.7	19.7	27.5	25.8	25.6	+ 30	- 1	
White flour	1.41 lb.	2.0	1.8	2.5	2.5	2.3	+ 28	- 8	
	: wheat								
White bread	.97 lb. wheat	1.3	1.2	1.7	1.7	1.6	+ 33	- 6	
Corn meal	1.5 lb. corn	1.8	1.7	2.1	2.1	2.1	+ 24	0	
Rolled oats	1.78 lb. oats	1.9	2.0	2.9	2.9	2.9	+ 45	0	
Corn flakes	1.275 lb. corn	1.6	1.4	1.7	1.8	1.8	+ 29	0	
Wheat cereal	2.065 lb. wheat	2.9	2.6	3.6	3.6	3.4	+ 31	- 6	
Rice	1.51 lb. rough	2.5	1/3.8	5.4	5.7	6.0	+ 58	+ 5	
	: rice								
Navy beans	1 lb. dry	3.5	3.7	4.8	4.6	4.4	+ 19	- 4	
	: beans								
Oranges	1/17 box	9.3	6.9	5.1	7.7	7.8	+ 13	+ 1	
Potatoes	1 lb.	1.2	1.0	1.7	1.7	1.9	+ 90	+12	
Apples	1 lb.	1.9	2.2	2.5	2.7	2.9	+ 32	+ 7	
Lamb products	2.16 lb.	16.2	1/20.2	1/23.1	1/23.0	23.4	+ 16	+ 2	
	: live lamb								
Sweet potatoes	1 lb.	1.5	1.8	1.8	1.8	1.9	+ 6	+ 6	
Rye bread	.39 lb. rye	1.3	1.1	1.6	1.6	1.5	+ 36	- 6	
	: & .64 lb. wheat								
Whole wh. bread	.92 lb. wheat	1.3	1.2	1.6	1.6	1.5	+ 25	- 6	
Macaroni	1.72 lb.	2.3	2.0	2.7	2.7	2.7	+ 35	0	
	: durum wheat								
Soda crackers	1.085 lb.	1.5	1.4	1.9	1.9	1.8	+ 29	- 5	
	: wheat								
Peanut butter	1.73 lb.	6.1	6.3	9.4	10.4	10.8	+ 71	+ 4	
	: peanuts								
58 foods combined	Annual family consumption	\$141	1/\$152	1/\$195	1/\$196	\$201	+ 32	+ 3	

1/ Revised

2/ Preliminary

Farm values are calculated from United States average farm prices.

Table 6 .- Price spreads between the farmer and the consumer - food products, margins

Commodity	Retail unit	Margin					Percentage change to Apr. 1942	
		1935-39	Apr.	Feb.	Mar.	Apr.	from -	
		average: 1941	1942	1942	1942	Apr.: Mar.		
							1941:1942	
		Cents	Cents	Cents	Cents	Cents	Per- cent	Per- cent
Pork products	1 lb. prin.	9.6	1/6.3	1/4.8	1/4.7	3.4	-46	-28
	pork products							
Dairy products	100 lb. milk	178.0	1/184.3	1/194.1	1/200.6	2/204.7	+11	+ 2
	equivalent							
Hens	1 lb.	15.2	15.8	15.9	15.7	15.3	- 3	- 3
Eggs	1 doz.	14.3	12.8	14.7	13.9	13.8	+ 8	- 1
White flour	1 lb.	2.5	2.5	2.7	2.7	2.9	+16	+ 7
White bread	1 lb.	6.9	6.5	6.9	6.9	7.0	+ 8	+ 1
Corn meal	1 lb.	3.2	2.6	2.5	2.6	2.6	0	0
Rolled oats	1 lb.	5.5	5.1	5.4	6.3	5.7	+12	-10
Corn flakes	8-oz. pkg.	6.2	5.7	5.5	5.4	5.4	- 5	0
Wheat cereal	28-oz. pkg.	21.4	20.8	20.4	20.5	20.7	- 3	+ 1
Rice	1 lb.	5.7	1/4.5	5.9	6.2	6.2	+38	-
Navy beans	1 lb.	3.4	2.9	4.2	4.4	4.6	+59	+ 5
Oranges	1 lb.	22.2	20.8	21.2	21.2	20.6	- 1	- 3
Potatoes	1 lb.	1.3	1.1	1.6	1.5	1.4	+27	- 7
Apples	1 lb.	3.6	3.4	3.6	3.5	3.9	+15	+11
Lamb products	1 lb. prin.	11.0	1/6.2	1/5.7	1/5.7	5.1	-18	-11
	lamb cuts							
Sweet potatoes	1 lb.	2.9	3.6	3.2	3.2	3.2	-11	0
Rye bread	1 lb.	7.8	7.4	7.5	7.5	7.7	+ 4	+ 3
Whole wh. bread	1 lb.	8.0	8.0	8.3	8.3	8.4	+ 5	+ 1
Macaroni	1 lb.	12.7	11.8	11.4	11.5	11.6	- 2	+ 1
Soda crackers	1 lb.	15.4	13.2	14.3	14.5	14.7	+11	+ 1
Peanut butter	1 lb.	13.2	11.5	12.3	13.0	15.3	+33	+18
58 foods combined	Annual family consumption	\$191	\$175	1/ \$186	1/ \$188	\$185	+ 6	-2

1/ Revised.

2/ Preliminary.

3/ Less than 0.5 percent.

Table 7 .- Price spreads between the farmer and the consumer - food products, farm value as a percentage of retail price

Commodity	Farm value as a percentage of retail price				
	1935-39	Apr.	Feb.	Mar.	Apr.
	average	1941	1942	1942	1942
Pork products	62	71	82	84	88
Dairy products	45	46	51	49	48
Hens	52	52	55	56	57
Eggs	60	61	65	65	65
White flour	44	42	48	48	44
White bread	16	16	20	20	19
Corn meal	36	40	46	45	45
Rolled oats	26	28	35	32	34
Corn flakes	21	20	24	25	25
Wheat cereal	12	11	15	15	14
Rice	30	46	48	48	49
Navy beans	51	56	53	51	49
Oranges	30	29	19	27	27
Potatoes	48	48	52	53	58
Apples	35	39	41	44	43
Lamb products	60	77	80	80	82
Sweet potatoes	34	33	36	36	37
Rye bread	14	13	18	18	16
Whole wheat bread	14	13	16	16	15
Macaroni	15	14	19	19	19
Soda crackers	9	10	12	12	11
Peanut butter	32	35	43	44	41
58 foods combined	42	46	51	51	52

Table 8. - Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	Foods			Fibers			Whole- sale			Farm Prices	
	Cost of living	Retail prices	Whole- sale	Farm Retail	Retail prices	Farm sale	Farm prices	Farm prices	Farm prices	paid by farmers	
	1/	2/	3/	1/	2/	3/	1/	2/	3/	4/	3/
1913	71	80	81	95	69	81	111	94	95	81	
1914	72	82	82	97	70	77	97	94	95	80	
1916	78	91	96	110	78	99	131	111	111	100	
1918	108	134	151	174	128	193	281	195	190	141	
1920	143	169	174	193	201	232	282	198	199	162	
1929	122	132	126	138	115	127	167	138	137	123	
1932	98	86	77	62	91	77	55	63	61	86	
1935	98	100	106	98	97	100	109	104	102	100	
1936	99	101	104	108	98	101	114	106	107	100	
1937	103	105	108	113	103	107	111	114	114	105	
1938	101	98	93	92	102	94	81	90	89	98	
1939	99	95	89	89	100	98	85	86	88	97	
1940	100	97	90	94	102	104	97	89	92	99	
1941	105	105	105	116	106	119	131	108	115	105	
1939 -											
Aug.		94	85	84		96	85	80	83	96	
Sept.	101	98	95	95	100	101	91	90	92	98	
1940 -											
Jan.		95	91	94		110	101	91	93	98	
Mar.	100	96	89	91	102	104	99	89	91	99	
July		97	89	91		102	96	88	89	98	
1941 -											
Apr.	102	101	98	107	102	114	108	98	104	100	
May	103	102	101	109	103	117	119	101	105	100	
June	105	106	105	114	103	119	129	108	111	103	
July	105	107	107	121	105	121	141	113	118	105	
Aug.	106	108	110	122	107	124	149	115	123	107	
Sept.	108	111	113	128	111	126	168	120	131	109	
Oct.	109	112	112	128	113	128	160	118	131	112	
Nov.	110	113	113	129	114	128	154	119	127	113	
Dec.	110	113	114	134	115	129	157	125	135	115	
1942 -											
Jan.	112	116	119	138	116	132	164	133	140	117	
Feb.	113	117	120	138	119	134	171	133	137	118	
Mar.	114	119	122	138	124	136	174	135	137	119	
Apr.	115	120	125	143	127	133	183	138	141	121	

1/ "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

Table 9. - Indexes of food costs, consumer income and of charges and hourly earnings in marketing, 1935-39 = 100

Year and month	Retail: nonagri-cultural of income payments to foods: 1/	Monthly earnings per employed factory worker 2/	Payments to farmers for foods: 2/	Marketing:				Hourly earnings in marketing enterprises			
				margin of employment	Class I steam railways 3/	Food processing 4/	Food marketing 5/	Cotton processing 4/	Food marketing 5/	Cotton processing 4/	Food marketing 5/
1929	125	122	118	138	115	93	-	-	-	-	-
1935-39 average	100	100	100	100	100	100	100	100	100	100	100
1940	95	113	111	94	95	105	110	105	105	106	106
1941	103	133	131	116	93	106	116	110	110	119	119
1941 -											
Apr.	98	127	123	5/	108	92	104	114	108	115	115
May	100	130	129	109	93	104	104	117	110	116	116
June	104	133	132	114	96	104	104	117	111	121	121
July	105	134	134	121	93	103	115	115	110	122	122
Aug.	105	136	135	122	92	105	115	115	110	124	124
Sept.	108	136	139	128	92	104	115	115	110	130	130
Oct.	109	138	140	128	95	103	118	118	111	130	130
Nov.	110	140	140	129	96	106	121	121	113	130	130
Dec.	110	144	143	134	93	119	123	123	114	130	130
1942 -											
Jan.	114	146	150	138	96	119	125	125	117	131	131
Feb.	115	148	149	138	98	122	125	125	119	132	132
Mar.	116	150	6/ 149	138	6/99	119	126	126	119	132	132
Apr.	116	152	7/ 149	143	97	-	-	-	-	-	-

1/ United States Department of Commerce estimates. Adjusted for seasonal variation.

2/ Prepared in the Bureau of Agricultural Economics from data of the U.S. Bureau of Labor Statistics, adjusted for seasonal variation.

3/ Compiled from data published by the Interstate Commerce Commission.

4/ United States Bureau of Labor Statistics.

5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing.

6/ Revised

7/ Preliminary estimates.

8/

